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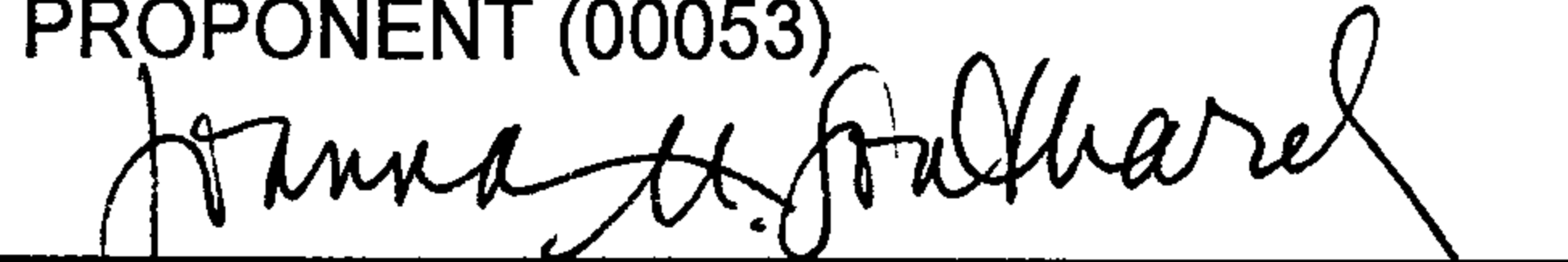
BILL JONES
Secretary of State
State of California

ELECTIONS DIVISION
(916) 657-2166
1500 - 11th STREET
SACRAMENTO, CA 95814
Voter Registration Hotline
1-800-345-VOTE
For Hearing and Speech Impaired
Only
1-800-833-8683
e-mail: comments@ss.ca.gov

February 11, 2000

TO: ALL COUNTY CLERKS/REGISTRARS OF VOTERS AND
PROPONENT (00053)

FROM:


JOANNA SOUTHARD
Elections Analyst

RECEIVED

FEB 17 2000

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SUBJECT: INITIATIVE #849

Pursuant to Elections Code section 9030(b), you are hereby notified that the total number of signatures to the hereinafter named proposed INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE filed with all county elections officials is less than 100 percent of the number of qualified voters required to find the petition sufficient; therefore, the petition has failed.

TITLE: TRIBAL GAMING. INITIATIVE CONSTITUTIONAL AMENDMENT AND
STATUTE.

SUMMARY DATE: August 5, 1999

PROPONENT: Richard M. Milanovich
c/o Jeffrey E. Langan, Esq.

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DIVISIONS:
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August 5, 1999

TO: ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENTS (99156)

FROM: Deirdre Avent
DEIRDRE AVENT
ELECTIONS ANALYST

SUBJECT: INITIATIVE #849

Pursuant to Elections Code section 336, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

TRIBAL GAMING.
INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

The proponent of the above-named measure is:

Richard M. Milanovich

c/o Jeffrey E. Langan, Esq.
Reed & Davidson
520 South Grand Avenue, Suite 700
Los Angeles, CA 90071
(213) 624-6200

#849
TRIBAL GAMING.
INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

CIRCULATING AND FILING SCHEDULE

1. Minimum number of signatures required: 670,816
California Constitution, Article II, Section 8(b)
2. Official Summary Date:..... Thursday, 08/05/99
Elections Code section (EC§) 336

3. Petitions Sections:

- a. First day Proponent can circulate Sections for
signatures (EC §336) Thursday, 08/05/99
- b. Last day Proponent can circulate and file
with the county. All sections are to be filed at the
same time within each county (EC §336, 9030(a))Monday, 01/03/00*
- c. Last day for county to determine total number of
signatures affixed to petitions and to transmit total
to the Secretary of State (EC §9030(b))..... Thursday, 01/13/00

(If the Proponent files the petition with the county on a date prior to 01/03/00,
the county has eight working days from the filing of the petition to determine the
total number of signatures affixed to the petition and to transmit the total to the
Secretary of State) (EC §9030(b)).

- d. Secretary of State determines whether the total number
of signatures filed with all county clerks/registrars of
voters meets the minimum number of required signatures,
and notifies the counties (EC §9030(c))..... Saturday, 01/22/00**
- e. Last day for county to determine total number of qualified
voters who signed the petition, and to transmit certificate
with a blank copy of the petition to the Secretary of State
(EC §9030(d)(e)) Monday, 03/06/00

* Date adjusted for official deadline which falls on Sunday. (EC §15)

**Deadline varies based on receipt of county certification.

INITIATIVE #849

Circulating and Filing Schedule continued:

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 01/22/00, the last day is no later than the thirtieth day after the county's receipt of notification). (EC §9030(d)(e)).

- f. If the signature count is more than 737,898 or less than 637,275 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 637,275 and 737,898 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of **all** signatures (EC §9030(f)(g); 9031(a)) Thursday, 03/16/00**
- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. (EC §9031(b)(c)). Friday, 04/28/00**

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 03/16/00, the last day is no later than the thirtieth working day after the county's receipt of notification) (EC §9031(b)(c)).

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient (EC §9031(d); 9033).....Tuesday, 05/02/00**

NOTE TO PROPONENTS WHO WISH TO QUALIFY FOR THE MARCH 7, 2000 PRESIDENTIAL ELECTION: This initiative must be certified for the ballot 131 days before the election (October 28, 1999). Please remember to time your submissions accordingly. For example, in order to allow the maximum time permitted by law for the random sample verification process, it is suggested that proponents file their petitions to county elections officials by August 20, 1999. If a 100% check of signatures is necessary, it is advised that the petitions be filed by June 30, 1999.

** Date varies based on receipt of county certification.

IMPORTANT POINTS

- California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code section 18650; *Bilofsky v. Deukmejian* (1981) 123 Cal. App. 3d 825, 177 Cal. Rptr. 621; 63 Ops. Cal. Atty. Gen. 37 (1980).
- Please refer to Elections Code sections 100,101,104,9001, 9008, 9009, 9021, and 9022 for appropriate format and type consideration in printing, typing and otherwise preparing your initiative petition for circulation in printing, typing and otherwise preparing your initiative petition for circulation and signatures, Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq. A brief summary is attached for your reference.
- When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

Enclosures

BILL LOCKYER
Attorney General

State of California
DEPARTMENT OF JUSTICE



1300 I STREET, SUITE 125
P.O. BOX 944255
SACRAMENTO, CA 94244-2550
Public: (916) 445-9555

Facsimile: (916) 323-2137
(916) 324-5490


August 5, 1999

FILED
In the office of the Secretary of State
of the State of California

Bill Jones
Secretary of State
1500 - 11th Street, 5th Floor
Sacramento, California 95814

AUG 05 1999

RE: INITIATIVE TITLE AND SUMMARY
SUBJECT: TRIBAL GAMING. INITIATIVE CONSTITUTIONAL
AMENDMENT AND STATUTE.
FILE NO: SA1999RF0025

BILL JONES, Secretary of State
By 
Deputy Secretary of State

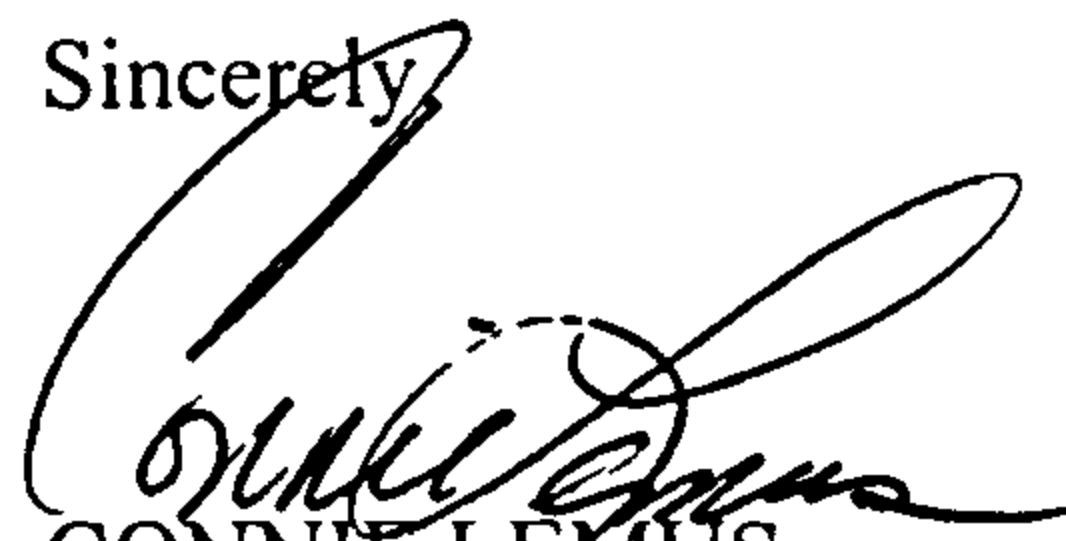
Dear Mr. Jones:

Pursuant to the provisions of sections 9004 and 336 of the Elections Code, you are hereby notified that on this day we mailed to the proponent of the above-identified proposed initiative our title and summary.

Enclosed is a copy of our transmittal letter to the proponent, a copy of our title and summary, a declaration of service thereof, and a copy of the proposed measure.

According to information available in our records, the name and address of the proponent is as stated on the declaration of service.

Sincerely,


CONNIE LEMUS
Initiative Coordinator

For **BILL LOCKYER**
Attorney General

CL:tk
Enclosures

Date: August 5, 1999
File No.: SA 1999 RF 0025

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

TRIBAL GAMING. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

Amends Constitution to exempt gaming activities and facilities operated on Indian lands according to federal law from prohibition against lotteries and casino gambling. Authorizes tribal gaming to include specified card games, lottery games, slot machines, and other games if later authorized by Legislature. Reenacts 1998 initiative measure (Proposition 5) that mandates specific tribal-state gaming compact terms and conditions. Future restriction of gaming on Indian lands subject to voter approval. Declares this measure and ballot referendum related to tribal gaming do not conflict and, if both approved, should be reconciled to greatest possible extent. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This measure would have no fiscal effect on state and local governments unless the state Supreme Court rules Proposition 5, the above-referenced 1998 initiative measure, unconstitutional. In this case, this measure would probably have a limited effect on state and local revenues in the near term, with potential longer-term significant annual revenue increases to the extent there is a large diversion of gambling activity from other states to California.

SA1999RF0025

Richard M. Milanovich
600 East Tahquitz Canyon Way
Palm Springs, California 92262

June 16, 1999

RECEIVED
JUN 18 1999

The Honorable Bill Lockyer
Attorney General
Attn: Initiative Coordinator Connie M. Lemus
1300 I Street, 17th Floor
Sacramento, California 95814

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

VIA HAND DELIVERY

Re: Request for Initiative Title and Summary

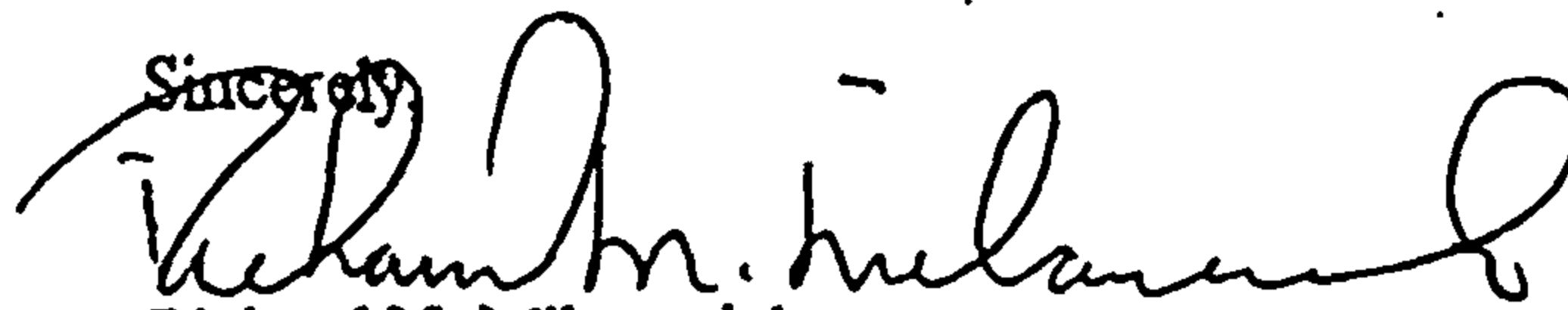
Dear Mr. Lockyer:

Pursuant to Article II, section 10(d) of the California Constitution and California Elections Code sections 9002 and 9004, enclosed is a proposed initiative measure to be submitted to the voters, and the required check in the amount of \$200. Please review the proposed text and prepare a title and summary for the measure.

My voter registration address is attached to assist you in verifying my original signature which appears below.

All inquiries or correspondence should be directed to my attorneys, Reed & Davidson, 520 S. Grand Avenue, Suite 700, Los Angeles, California 90071, (213) 624-6200, Attn: Jeffrey E. Langan, Esq.

Thank you for your assistance.

Sincerely,

Richard N. Milanovich
Proponent

Enclosures: Proponent's Voter Registration Address
Text of Proposed Initiative

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

PROPOSED LAW

THE TRIBAL GOVERNMENT GAMING AND
ECONOMIC SELF-SUFFICIENCY MEASURE
OF 2000

SECTION 1. Title. This initiative measure shall be known as, and may be cited as, "The Tribal Government Gaming and Economic Self-Sufficiency Measure of 2000."

SECTION 2. Findings and Purpose.

(a) In the November 3, 1998, general election, the People of the State of California overwhelmingly approved and adopted an initiative statute, Proposition 5, entitled "The Tribal Government Gaming and Economic Self-Sufficiency Act of 1998." In enacting Proposition 5, the People found that, historically, Indian tribes within the State have long suffered from high rates of unemployment and inadequate educational, housing, elderly care, and health care opportunities, while typically being located on lands that are not conducive to economic development in order to meet those needs. The People of the State further found that uncertainties had developed over various issues concerning certain forms of gaming, known as "class III gaming," and the development of Tribal-State compacts between the State and tribes, and that those uncertainties had led to delays and considerable expense. The Tribal-State compact terms set forth in Proposition 5 (the "Gaming Compact") were intended to resolve those uncertainties in an efficient and cost-effective way, while meeting the basic and mutual needs of the State and the tribes without undue delay. The resolution of uncertainty regarding class III gaming in California, the generation of employment and tribal economic development which would result therefrom, and the limitations on the growth of gaming in California which are inherent therein, were declared by the People of the State to be in the best and immediate interest of all citizens of the State. Proposition 5 was enacted

as a matter of public policy and in recognition that it fulfilled important State needs. The People found that all of the factors the State could consider in negotiating a Tribal-State compact under federal law had been taken into account in offering to tribes the terms set forth in the Gaming Compact contained in Proposition 5.

(b) In adopting Proposition 5, the People of the State of California also found that casinos of the type currently operating in Nevada and New Jersey are materially different from the tribal gaming facilities authorized under Proposition 5, in that the casinos in those states (1) commonly offer their patrons a broad spectrum of house-banked games, including but not limited to house-banked card games, roulette, dice games, and slot machines that dispense coins or currency, none of which games were authorized under Proposition 5, and (2) are owned by private companies, individuals or others that are not restricted on how their profits may be expended, whereas tribal governments must be the primary beneficiaries of the gaming facilities under Proposition 5 and the Gaming Compact, and are limited to using their gaming revenues for various tribal purposes, including tribal government services and programs such as those which address reservation housing, elderly care, education, economic development, health care, and other tribal programs and needs, in conformity with federal law.

(c) Despite these findings by the People, almost immediately following the passage of Proposition 5, a small number of its opponents filed lawsuits challenging the validity of the initiative statute, contending *inter alia*, that Proposition 5 violated Article IV, Section 19(e), of the California Constitution because the tribal gaming facilities it authorized were casinos of the type currently operating in Nevada and New Jersey. These lawsuits delayed and threatened the full implementation of Proposition 5, frustrating the will of the People and resulting in precisely the uncertainties, delays, and expense that Proposition 5 was intended to avert.

(d) The People of the State of California therefore adopt this initiative measure, comprising an amendment to Article IV, Section 19, of the Constitution and the substantial re-enactment of the statutory provisions of Proposition 5, in order to resolve and eliminate any uncertainty regarding the constitutionality of the tribal gaming facilities authorized by Proposition 5 and this measure, including those in which the gaming activities authorized under the Gaming Compact offered by Proposition 5 and this measure are conducted. In adopting this initiative measure, the People of the State expressly re-affirm the Findings of Proposition 5 and declare that the primary purpose of this measure is to authorize and facilitate tribal government gaming on qualified Indian lands as set forth herein, as a means of strengthening tribal self-sufficiency through the creation of jobs and tribal economic development, and as a benefit to the interest of all citizens of this state.

SECTION 3. Section 19 of Article IV of the California Constitution is amended to read:

SEC. 19. (a) The Legislature has no power to authorize lotteries and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a), the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.

(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New Jersey.

(f) Subdivisions (a) and (e) do not apply to, and shall not restrict, any gaming activities or facilities operated on Indian lands in accordance with federal law authorizing Indian gaming, including the Indian Gaming Regulatory Act of 1988 ("IGRA") (18 U.S.C. Sec. 1166 et seq. and 25 U.S.C. Sec. 2701 et seq.) or any successor thereto.

(g) The following forms of gaming are specifically permitted and authorized to be conducted on Indian lands in the State of California in accordance with applicable federal law:

(1) any card games that were operated on any Indian reservation in California on or before January 1, 1998, provided that with respect to card games that are not within class II of IGRA, such card games shall pay prizes solely in accordance with a players' pool prize system in which one or more segregated pools of funds which have been collected from player wagers are irrevocably dedicated to the prospective award of prizes in such card games or other lottery games, promotions, or contests and in which the house neither has nor can acquire any interest. The Tribe may set and collect a fee from players on a per play, per amount wagered or time-period basis, and may seed the pools in the form of loans or promotional expenses, provided such seeding is not used to pay prizes previously won; (2) any gaming or gambling device, provided that such devices do not dispense coins or currency and are not activated by handles, and prizes from which are awarded solely from one or more segregated pools of funds which have been collected from player wagers, are irrevocably dedicated to the prospective award of prizes in such games or in other lottery games, contests, tournaments or prize pool promotions, and in which the house neither has nor can acquire any interest. The Tribe may set and collect a fee from players on a per play, per amount wagered or time-period basis, and may seed the pools in the form of loans or promotional expenses, provided such seeding is not used to pay prizes previously won; and (3) the operation of any lottery game, including, but not limited to, drawings, raffles, match games, and instant lottery ticket games. The enumeration herein of those games that are specifically permitted and authorized to be conducted on

Indian lands shall not be construed as a limitation or prohibition on any other games or gaming activities that may be conducted on Indian lands if otherwise permitted or authorized by law.

SECTION 4. Chapter 2 (commencing with Section 98100) is added to Title 16 of the Government Code, to read:

98100. Title. This chapter shall be known as, and may be cited as, "The Tribal Government Gaming and Economic Self-Sufficiency Act of 2000."

98101. Findings and Purposes. (a) The People of the State of California find that historically, Indian tribes within the State have long suffered from high rates of unemployment and inadequate educational, housing, elderly care, and health care opportunities, while typically being located on lands that are not conducive to economic development in order to meet those needs. Federal law provides a statutory basis for conducting licensed and regulated tribal government gaming on, and limited to, qualified Indian lands, as a means of strengthening tribal self-sufficiency through the creation of jobs and tribal economic development. Federal law also provides that certain forms of gaming, known as "class III gaming," will be the subject of an agreement between a tribe and the State (a "Tribal-State compact"), pursuant to which such gaming will be governed.

(b) The People of the State find that uncertainties have developed over various issues concerning class III gaming and the development of Tribal-State compacts between the State and tribes, and that those uncertainties have led to delays and considerable expense. The Tribal-State compact terms set forth in Section 98104 of this Chapter (the "Gaming Compact"), including the geographic confinement of such gaming to certain tribal lands, agreement and limitations on the kinds of class III gaming in which a tribe operating thereunder may be engaged, and the regulation and licensing required thereunder, are intended to resolve those uncertainties in an efficient and cost-effective way, while meeting the basic and mutual needs of the State and the tribes without undue

delay. The resolution of uncertainty regarding class III gaming in California, the generation of employment and tribal economic development which will result therefrom, and the limitations on the growth of gaming in California which are inherent therein, are in the best and immediate interest of all citizens of the State. This Chapter has been enacted as a matter of public policy and in recognition that it fulfills important State needs. All of the factors the State could consider in negotiating a Tribal-State compact under federal law have been taken into account in offering to tribes the terms set forth in the Gaming Compact.

(c) The People of the State of California further find that casinos of the type currently operating in Nevada and New Jersey are materially different from the tribal gaming facilities authorized under this Chapter, including those in which the gaming activities under the Gaming Compact are conducted, in that the casinos in those States (1) commonly offer their patrons a broad spectrum of house-banked games, including but not limited to house-banked card games, roulette, dice games, and slot machines that dispense coins or currency, none of which games are authorized under this Chapter; and (2) are owned by private companies, individuals or others that are not restricted on how their profits may be expended, whereas tribal governments must be the primary beneficiaries of the gaming facilities under this Chapter and the Gaming Compact, and are limited to using their gaming revenues for various Tribal purposes, including Tribal government services and programs such as those which address reservation housing, elderly care, education, economic development, health care, and other Tribal programs and needs, in conformity with federal law.

98102. Authority to Execute Tribal-State Compacts. (a) The Governor is authorized to execute on behalf of this State a Gaming Compact containing the terms set forth in Section 98104 of this Chapter, and shall do so as a ministerial act, without preconditions, within 30 days after receiving a request from a Tribe accompanied by or in the form of a duly-enacted resolution of the Tribe's governing body, to enter into such a compact.

(b) If any federally-recognized Tribe having jurisdiction over Indian lands in California requests that the Governor enter into negotiations for a Tribal-State compact under federal law, including but not limited to the Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq. ("IGRA"), on terms different than those prescribed for the Gaming Compact in Section 98104, the Governor shall enter into such negotiations pursuant to such federal law and without preconditions, and is authorized to reach agreement and execute any such compact on behalf of the State, which authority shall not require action by the Legislature so long as the compact does not expand the scope of class III gaming permitted under a Gaming Compact under this Chapter, create or confer additional powers on any agency of this State which are inconsistent with the terms of a Gaming Compact, or infringe upon the power of the Legislature to appropriate and authorize the expenditure of funds from the Treasury of this State. Any action by the Legislature which expands the scope of class III gaming permitted in any Tribal-State compact between the State and a tribe from that which is authorized and permitted in the Gaming Compact set forth in Section 98104 of this Chapter shall not be deemed to be in conflict with, or prohibited by, this Chapter.

(c) The Governor is authorized and directed hereby to execute, as a ministerial act on behalf of the State, any additional documents that may be necessary to implement the provisions of this Chapter or any Tribal-State compact entered into pursuant to this Chapter. In the event that federal law regarding the process for entry into or approval of Tribal-State gaming compacts is changed in any way that would require a change in any procedure under this Chapter in order for a Tribal-State gaming compact to become effective, this Chapter shall be deemed amended to conform to and incorporate such changed federal law.

98103. State Reimbursement. Any State department, agency or subdivision providing gaming regulatory services to a tribe pursuant to the terms of this Chapter, including a Gaming Compact entered into hereunder, is authorized to require and receive reimbursement from the Tribe

for the actual and reasonable costs of such services in accordance with a fee schedule to be agreed to by the Tribe and the State which is based on what the State gaming agency reasonably charges other government agencies for comparable services. Any funds received from a Tribe in reimbursement for such services hereby are continuously appropriated to that department, agency or subdivision for those purposes. Any disputes concerning the reasonableness of any claim for reimbursement shall be resolved in accordance with the dispute resolution procedures set forth in the Gaming Compact.

98104. Offer and Terms and Conditions of Tribal-State Gaming Compact. The State of California hereby offers to any federally recognized Indian tribe which is recognized by the Secretary of the Interior as having jurisdiction over Indian lands in California which are eligible for gaming under IGRA, and any such tribe may request and enter into with the State, a Gaming Compact containing the following terms and conditions:

"TRIBAL - STATE GAMING COMPACT

Between the

[*OFFICIAL NAME OF TRIBE*],

a federally recognized Indian Tribe,

and the

STATE OF CALIFORNIA

THIS TRIBAL-STATE GAMING COMPACT is entered into on a government-to-government basis by and between the [*OFFICIAL NAME OF TRIBE*], a federally recognized sovereign Indian Tribe ("Tribe"), and the STATE OF CALIFORNIA, a sovereign State of the United States ("State"), pursuant to the Indian Gaming Regulatory Act of 1988, P.L. 100-497, codified at 18 U.S.C. § 1166 et seq. and 25 U.S.C. § 2701 et seq. (hereafter "IGRA"), and any successor statute

or amendments, and the Tribal Government Gaming and Economic Self-Sufficiency Act of 2000 (Chapter 2, Section 98100 et seq. of Title 16 of the Government Code).

Section 1.0. PURPOSES AND OBJECTIVES. The terms of this Gaming Compact are designed and intended to:

(a) Evidence the good will and cooperation of the Tribe and State in fostering a mutually respectful government-to-government relationship that will serve the mutual interests of the parties;

(b) Develop and implement a means of regulating class III gaming on the Tribe's Indian lands to ensure its fair and honest operation in accordance with IGRA, and through such regulated class III gaming enable the Tribe to develop self-sufficiency, promote tribal economic development and generate jobs and revenues to support the Tribe's government and governmental services and programs;

(c) Promote ethical practices in conjunction with such gaming, through the licensing and control of persons and entities employed in, or providing goods and services to, the Tribe's gaming operation and protecting against the presence or participation of persons whose criminal backgrounds, reputations, character or associations make them unsuitable for participation in gaming, thereby maintaining a high level of integrity in government gaming.

Section 2.0. DEFINITIONS

Section 2.1. "Act" means the Tribal Government Gaming and Economic Self-Sufficiency Act of 2000 (Section 98100 et seq. of the California Government Code).

Section 2.2. "Applicant" means an individual or entity that applies for a tribal license or State certification.

Section 2.3. "Class III Gaming" means the forms of class III gaming defined as such in 25 U.S.C. § 2703(8) and by regulations of the National Indian Gaming Commission.

Section 2.4. "Gaming activities" means the class III gaming activities authorized under this Gaming Compact.

Section 2.5. "Gaming Compact" means this compact.

Section 2.6. "Gaming device" means any electronic, electromechanical, electrical, or video device that, for consideration, permits: individual play with or against such device or the participation in any electronic, electromechanical, electrical, or video system to which such device is connected; the playing of games thereon or therewith, including, but not limited to, the playing of facsimiles of games of chance or skill; the possible delivery to or entitlement by the player to a prize or something of value as a result of the application of an element of chance; and a method for viewing the outcome, prize won, and other information regarding the playing of games thereon or therewith.

Section 2.7. "Gaming employee" means any person who operates, maintains, repairs, assists in, or is in any way responsible for supervising gaming activities or persons who conduct, operate, account for, or supervise any gaming activity, is in a category under federal or tribal gaming law requiring licensing, or is a person whose employment duties require or authorize access to areas of the gaming facility which are not open to the public. In defining those categories of persons who are required to be licensed under tribal gaming law, the Tribe shall consider the inclusion of persons who are required to be licensed pursuant to state gaming law.

Section 2.8. "Gaming facility" means any building or room in which class III gaming activities or gaming operations occur, or in which the business records, receipts or other funds of the gaming operation are maintained (but excluding offsite facilities primarily dedicated to storage of such records, and financial institutions), and all rooms, buildings and areas, including parking lots,

walkways and means of ingress and egress associated therewith, provided nothing herein shall prevent the conduct of class II gaming (as defined under IGRA) therein.

Section 2.9. "Gaming operation" means the business enterprise which offers and operates gaming activities.

Section 2.10. "Gaming ordinance" means a Tribal ordinance or resolution duly authorizing the conduct of gaming activities on the Tribe's Indian lands and approved under IGRA.

Section 2.11. "Gaming resources" means any goods or services used in connection with gaming activities, including, but not limited to, equipment, furniture, gambling devices and ancillary equipment, implements of gaming activities such as playing cards and dice, furniture designed primarily for gaming activities, maintenance or security equipment and services, gaming consulting services, and the like. The term "gaming resources" shall not include professional accounting and legal services.

Section 2.12. "Gaming resource supplier" means any manufacturer, distributor, supplier, vendor, lessor or other purveyor of gaming resources to the gaming operation or gaming facility, provided the Tribal gaming agency may exclude any such purveyor if the subject equipment or furniture is not specifically designed for, and is distributed generally for use other than, in connection with gaming activities.

Section 2.13. "IGRA" means the Indian Gaming Regulatory Act of 1988, P.L. 100-497, 18 U.S.C. § 1166 et seq. and 25 U.S.C. § 2701 et seq., all amendments and successors thereto, and all regulations promulgated thereunder.

Section 2.14. "Management contractor" means any person with whom the Tribe has contracted for the management of any gaming activity or gaming facility, including, but not limited to, any person who would be regarded as a management contractor under IGRA.

Section 2.15. "Net win" means the wagering revenue from gaming activities retained by the Tribe after prizes or winnings have been paid to players or to pools dedicated to the payment of such prizes and winnings, and prior to the payment of operating or other expenses. "Net win" includes the fees collected under Section 2.16, even though such fees are not affected by payments of or for prizes or winnings.

Section 2.16. "Players' Pool Prize System" means one or more segregated pools of funds which have been collected from player wagers, are irrevocably dedicated to the prospective award of prizes in authorized gaming activities, and in which the house neither has nor can acquire any interest. The Tribe may set and collect a fee from players on a per play, per amount wagered or time-period basis, and may seed the player pools in the form of loans or promotional expenses, provided such seeding is not used to pay prizes previously won.

Section 2.17. "State" means the State of California.

Section 2.18. "State gaming agency" means the person, agency, board, commission, or official, which the State duly authorizes to fulfill the functions assigned to it under this Gaming Compact. As of the date of the passage of this Act, this agency is the entity or entities authorized to investigate, approve, and regulate gaming licenses pursuant to the Gambling Control Act (Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code) or its successors. In the event no agency is authorized to conduct this function, the State shall designate such an agency by statute. If the State fails to designate an agency authorized to investigate, approve, and regulate gaming licenses, any function assigned to the State gaming agency in this Gaming Compact shall be assumed by the Tribal gaming agency until the State so designates an agency as provided herein.

Section 2.19. "Tribal Chairperson" means the person duly elected or selected under the Tribe's organic documents, customs or traditions to serve as the primary spokesperson for the Tribe.

Section 2.20. "Tribal gaming agency" means the person, agency, board, committee, commission, or council designated under Tribal law, including, but not limited to, an inter-tribal gaming regulatory agency approved to fulfill such functions by the National Indian Gaming Commission, as primarily responsible for carrying out the Tribe's regulatory responsibilities under IGRA and the Tribal gaming ordinance. No person employed in or in connection with the management, supervision or conduct of any gaming activity may be a member or employee of the Tribal gaming agency.

Section 2.21. "Tribal gaming terminal" means a gaming device that does not dispense coins or currency and is not activated by a handle.

Section 2.22. "Tribe" means the [*official name of Tribe*], a federally recognized Indian tribe.

Section 3.0. CLASS III GAMING AUTHORIZED AND PERMITTED. The Tribe is hereby authorized and permitted to engage in the gaming activities expressly referred to in Section 4.0 herein.

Section 4.0. SCOPE OF CLASS III GAMING.

Section 4.1. Authorized and Permitted Class III Gaming. To the extent regarded as forms or types of class III gaming, the Tribe is hereby authorized and permitted to operate the following gaming activities under the terms and conditions set forth in this Gaming Compact:

(a) The operation of Tribal gaming terminals, provided that such devices shall meet the technical standards adopted pursuant to Section 8.1.15 of this Gaming Compact and shall pay prizes solely in accordance with a players' pool prize system;

(b) The operation of any card games that were actually operated in any tribal gaming facility in California on or before January 1, 1998, and are not within class II of IGRA (which class II games

are not affected by this Gaming Compact), provided that such non-class II card games shall pay prizes solely in accordance with a players' pool prize system;

(c) The operation of any lottery game, including, but not limited to, drawings, raffles, match games, and instant lottery ticket games; and

(d) The simulcasting and offering of off-track betting on horse races, if offered in accordance with the terms and conditions of the Tribal-State compact between the State and the Sycuan Band of Mission Indians which existed on March 31, 1997 ("Sycuan compact"), the terms of which shall be adjusted for northern California racing if required by the geographic location of the Tribe, and which compact is hereby incorporated by reference on the effective date of this Gaming Compact, unless the Tribe elects to adopt the provisions of an existing compact pursuant to the next sentence. If the Tribe and the State have already entered into a compact governing off-track wagering, such compact at Tribe's option may continue in full force and effect as the off-track wagering provisions intended by this section, or the Sycuan compact terms and conditions may be substituted therefor. The Tribe may notify the State at the time the notice under Section 98102 of the Act is given, or at any later date as the Tribe may deem appropriate, of its election with regard to which off-track wagering compact it has elected to incorporate herein. With regard to any Tribal-State compact governing off-track wagering, including this Gaming Compact, if the State lacks jurisdiction under federal law to collect a license fee or other charge on wagers placed at a tribal facility, which fee or charge would ordinarily be collected on wagers at nontribal facilities, an amount equal to such fee or charge shall be deducted from any off-track wagers made at the Tribe's facility and shall be distributed to the Tribe.

Section 4.2. Authorized Gaming Facilities. The Tribe may establish and operate gaming facilities in which the gaming activities authorized under this Gaming Compact may be conducted, provided such facilities are located on Indian lands within California over which the Tribe has

jurisdiction, and qualify under federal law as lands upon which gaming can lawfully be conducted. The Tribe may combine and operate in such gaming facilities any forms and kinds of gaming permitted under law, except to the extent limited under IGRA or the Tribe's gaming ordinance.

Section 5.0. TRIBAL, STATE AND LOCAL TRUST FUNDS.

Section 5.1. Conditional Obligation to Contribute to Trust Funds; Contribution Formula.

(a) The parties acknowledge that the operation of Tribal gaming terminals authorized under this Gaming Compact is expected to occupy a unique place in gaming within the State which is material to the ability of the Tribe and other tribal governments operating under similar compacts to achieve the economic development and other goals intended by IGRA. The Tribe therefore agrees to make the contributions to the trust funds described in Sections 5.2, 5.3, and 5.4, only for as long as it and other tribes that have entered into Gaming Compacts are not deprived of that unique opportunity. Accordingly, in the event any other person or entity, including, but not limited to, the California State Lottery, lawfully operates gaming devices within the State at any time after January 2, 1998, any and all obligations by the Tribe to make the trust fund contributions required under Sections 5.2, 5.3, and 5.4 of this Gaming Compact shall immediately and permanently cease and terminate. For the purposes of this section only, no equipment or type of game played thereon or therewith which was offered by the California State Lottery or any race track in California prior to January 2, 1998, shall be deemed to cause the cessation and termination of said trust fund contributions.

(b) The contributions due under Sections 5.2, 5.3 and 5.4 shall be determined and made on a calendar quarter basis, by first determining the total number of all Tribal gaming terminals operated by a Tribe during a given quarter ("Quarterly Terminal Base"). Notwithstanding anything in this Section 5 to the contrary, the Tribe shall have no obligation to make any contribution to any trust fund on the net win derived from the first 200 terminals in the Quarterly Terminal Base; shall

contribute at one-half of the percentage rates specified in Sections 5.2, 5.3, and 5.4, on the net win derived from the next 200 terminals in the Quarterly Terminal Base; and shall contribute at the full percentage rates specified in the above sections on the net win derived from any additional terminals in the Quarterly Terminal Base. In making those computations, the total net win from all terminals in the Quarterly Terminal Base during a given quarter shall be included and evenly divided among all such terminals ("Average Terminal Net Win"), regardless of the actual performance or net win of any particular terminal. The Average Terminal Net Win shall be used as the basis for calculating the foregoing exclusions or reductions which are based on the number of terminals in the Quarterly Terminal Base .

Section 5.2. Nongaming Tribal Assistance Fund.

Section 5.2.1. The Tribe shall participate in a trust fund with all other tribes, if any, that enter into Gaming Compacts under Section 98104 of the Act, into which it shall deposit 2 percent of its net win from Tribal gaming terminals each calendar quarter. The trust fund shall be distributed on an equitable basis for education, economic development, cultural preservation, health care and other Tribal purposes to federally recognized tribes located in California who have not participated in any form of gaming within the 12-month period preceding the anticipated receipt of such trust funds.

Section 5.2.2. The trust shall have 12 trustees, consisting of one representative from each of three federally recognized tribes in each federal judicial district in California, elected by nomination as set forth below and majority vote of those tribal representatives attending a meeting at which all federally recognized tribes in the district have been given at least 15 days' written notice to attend. Each such tribe shall have one vote. The State shall assist the trust fund in assuring that adequate notice is given to all tribes who are to be represented at such meeting. Two of the trustees from each district shall consist of representatives of tribes in the district who have entered into

Gaming Compacts under the Act, and one trustee shall be from a nongaming tribe. If there are no tribes which fit into one category, the trustee positions shall be filled by the other category of tribes. Gaming tribes shall nominate and elect the gaming tribe representatives, and nongaming tribes shall nominate and elect the nongaming tribe representative. Trustees shall serve for two-year terms, and shall receive reimbursement for reasonable costs actually incurred to attend meetings and serve as a trustee which have been approved by the board of trustees.

Section 5.2.3. All contributions to the fund shall be combined on a statewide basis and shall be distributed from the trust fund on a quarterly basis statewide in accordance with a fair and equitable formula established by the trustees by majority vote. All monies in the trust fund shall be distributed annually, less reasonable costs of administering said trust fund, which shall not exceed 5 percent of the monies contributed to the trust fund in each year, and pursuant to a budget approved by the board of trustees.

Section 5.2.4. The first meeting of the trustees shall take place within the earlier of 60 days after at least three Gaming Compacts become effective in the applicable federal judicial district, or six months following the effective date of the first Gaming Compact in such district. Distributions which are due from the Tribe prior to the formal creation of the trust fund specified herein shall be held in trust by the Tribe for such purposes.

Section 5.2.5. Contributions to the fund from the Tribe shall be made on the 15th day of the month following the close of the second calendar quarter in which this Gaming Compact has been in effect, based on the net win in the first calendar quarter of operations under the Gaming Compact derived from all Tribal gaming terminals in the Quarterly Terminal Base, and on the 15th day of the month following the close of each calendar quarter thereafter (on July 15, October 15, January 15, and April 15; hereafter "contribution dates") based on such second preceding calendar quarter net win. For example, if this Gaming Compact becomes effective on October 10, the first

contribution will be due on April 15th, based on the total net win from Tribal gaming terminals in the Quarterly Terminal Base for the calendar quarter ending December 31. The next contribution date will be July 15, for the quarter ending March 15, and so forth.

Section 5.3. Statewide Trust Fund.

Section 5.3.1. The Tribe shall participate in a trust fund with the other Gaming Compact tribes, if any, into which it shall deposit, on a quarterly basis on each contribution date, an amount equal to 3 percent of the net win from the Tribal gaming terminals in the Quarterly Terminal Base. Except as otherwise provided herein, the creation of the trust, board of trustees, and method for making contributions and distributions shall be identical to the manner in which contributions are made, trust funds are distributed and the board of trustees is created and administered under Section 5.2 of this Gaming Compact, provided that nongaming tribes shall not be represented or vote for trustees on such board.

Section 5.3.2. Each quarter the board of trustees shall determine, based on a formula established with the approval of the State which takes into account the population, ratio, and emergency medical needs of persons over 55 years of age in each county, a method for distributing annually all funds in the trust, except for reasonable administrative expenses (including said trustee costs) not to exceed 5 percent of the amounts contributed to the trust fund in each year, and pursuant to a budget approved by the board of trustees. The funds in trust shall be used solely to supplement emergency medical care resources within each county, including, but not limited to, those provided by any federally-recognized tribes within the county, provided that, without increasing said 3 percent amount, one-half of 1 percent (0.5%) of net win on which said contribution is based shall be used to establish or supplement programs within the county which address compulsive and addictive gambling.

Section 5.4. Local Benefits Grant Fund.

Section 5.4.1. The Tribe shall establish a trust fund into which it shall deposit, on a quarterly basis on each contribution date, an amount equal to 1 percent of the net win from Tribal gaming terminals in Tribe's gaming operation.

Section 5.4.2. Within 60 days after commencing operations under this Gaming Compact, the Tribe shall invite discussion, on a government to government basis, with governmental representatives of any city and county within the boundaries of which the Tribe's gaming facilities are located. Such discussions shall address community needs which could be met by grants of funds from the trust to any such cities and counties. Any federally-recognized tribes within the county which is also providing services to meet those community needs shall also be included in such discussions and shall be eligible for such grants. The procedure and criteria for receiving such funds shall be submitted in writing to, and approved by, a committee comprised of representatives of each of the eligible local community and tribal governments and the Tribe. The Tribe shall distribute annually all of such trust funds, less reasonable administrative costs of no more than 5 percent, in accordance with a distribution plan agreed upon by such committee which is fair and equitable. Funds not distributed in any year despite good faith efforts to do so shall be carried over to the following year.

Section 6.0. REGULATION OF GAMING.

Section 6.1. Tribal Gaming Ordinance. All gaming activities conducted under this Gaming Compact shall at a minimum comply with a Tribal gaming ordinance duly adopted by the Tribe and approved in accordance with IGRA.

Section 6.2. Tribal Ownership, Management and Control of Gaming Facility and Gaming Operation. All gaming operations and facilities authorized under this Gaming Compact shall be solely owned by the Tribe. The parties acknowledge that most tribal gaming operations and facilities

within the State presently are controlled and conducted solely by the tribe, and that a goal of the Act is to enable all tribes to control and conduct their own gaming operations and facilities, provide tribal job training and employment, and achieve tribal self-sufficiency. Therefore, although the Tribe shall be entitled to contract for the management of the gaming facility and operation in accordance with IGRA, any such management contract shall provide that to the extent permitted by law, members of the Tribe will be trained for and advanced to key management positions, and that a goal of the management contractor shall be to prepare the Tribe to assume the control and conduct of the operation and facility.

Section 6.3. Prohibition Regarding Minors. Tribal gaming facilities operated pursuant to this Compact shall be subject to the same minimum age restrictions for patrons as currently apply to the State Lottery. If alcoholic beverages are served in any area of a Tribal gaming facility operated pursuant to this Compact, prohibitions regarding age limits in such areas shall be governed by applicable law.

Section 6.4. Licensing Requirements and Procedures.

Section 6.4.1. Summary of Licensing Principles. All persons in any way connected with the gaming operation or facility that are required to be licensed under IGRA and any others required to be licensed under this Gaming Compact, including, but not limited to all gaming employees and gaming resource suppliers, must be licensed by the Tribal gaming agency. The Tribal gaming agency shall have the primary responsibility for licensing such persons and entities and for the regulation of the gaming operation and facility. The Tribal gaming agency shall also certify, through the use of experts and with participation by the State gaming agency if it so desires, that the gaming facility and any construction to be undertaken in regards thereto meet specified building and safety standards. The State gaming agency is provided with licensing application information, and reports regarding facility inspections and compliance. The State gaming agency may review such

information and object or refrain from objecting thereto. In the event that the State gaming agency fails to object to a gaming license application within 90 days of receipt of such information and notification that the Tribal gaming agency intends to issue a temporary or permanent license, the State gaming agency is deemed to have certified that it has no objection to such issuance, but the State gaming agency shall be free at any time to revoke such certification, or to request the tribal gaming agency to suspend or revoke a gaming license. The dispute resolution processes between the State and the Tribe provided for herein shall be available to resolve disputes between the Tribe and the State regarding such requests and building and safety certifications. The parties intend that the licensing process provided for in this Gaming Compact shall involve joint cooperation between the Tribal gaming agency and the State gaming agency, all as more particularly described herein.

Section 6.4.2. Gaming Facility. (a) The gaming facility authorized by this Gaming Compact shall be licensed by the Tribal gaming agency in conformity with the requirements of this Gaming Compact, the Tribal gaming ordinance and IGRA. The license shall be reviewed and renewed, if appropriate, every two years thereafter. Verification that this requirement has been met shall be provided to the State gaming agency. The Tribal gaming agency's certification to that effect shall be posted in a conspicuous and public place in the gaming facility at all times.

(b) In order to protect the health and safety of all gaming facility patrons, guests, and employees, all gaming facilities of the Tribe constructed after the effective date of this Gaming Compact shall meet the building and safety codes of the Tribe, which, as a condition for engaging in that construction, shall amend its existing building and safety codes if necessary, or enact such codes if there are none, so that they meet the standards of either the building and safety codes of any county within the boundaries of which the site of the facility is located, or the Uniform Building Codes, including all uniform fire, plumbing, electrical, mechanical and related codes, then in effect,

provided nothing herein shall be deemed to confer jurisdiction upon any county or the State with respect to any reference to such building and safety codes.

(c) Any gaming facility in which gaming authorized by this Gaming Compact is conducted shall be licensed by the Tribal gaming agency prior to occupancy if it was not used for any gaming activities under IGRA prior to the effective date of this Gaming Compact or, if it was so used, within one year thereafter. The issuance of this license shall be reviewed and renewed every two years thereafter. Inspections by qualified building and safety experts shall be conducted under the direction of the Tribal gaming agency as the basis for issuing or renewing any license hereunder, who shall determine and certify that as to new construction or new use for gaming, the facility meets the Tribe's building and safety code, or as to facilities or portions of facilities that were used for the Tribe's gaming activities prior to this Gaming Compact, such facility or portions thereof do not endanger the health or safety of occupants or the integrity of the gaming operation.

(d) The State gaming agency shall be given at least 30 days' notice of each inspection by such experts, and, on 10 days' notice to the Tribe, may accompany any such inspection. The Tribe agrees to correct any facility condition noted in an inspection that does not meet the standards set forth in subdivision (b). The Tribal gaming agency and State gaming agency shall exchange any reports of such inspection within ten days after their completion, which reports shall also be separately and simultaneously forwarded by both agencies to the Tribal Chairperson. Upon certification by such experts that a facility meets applicable standards, the Tribal gaming agency shall forward the experts' certification to the State within 10 days of issuance. If the State objects to such certification, the Tribe shall make a good faith effort to address the State's concerns, but if the State does not withdraw its objection the matter will be resolved in accordance with the dispute resolution provisions of Section 9 of this Gaming Compact.

Section 6.4.3. Suitability Standard Regarding Gaming Licenses. In reviewing an application for a gaming license, and in addition to any standards set forth in the Tribal gaming ordinance, the Tribal gaming agency shall consider whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine public trust that the Tribe's gaming operations, or tribal government gaming generally, are free from criminal and dishonest elements and would be conducted honestly. No license shall be issued unless, based on all information and documents submitted, the Tribal gaming agency is satisfied that the applicant is all of the following, in addition to any other criteria in IGRA or the Tribal gaming ordinance:

- (a) A person of good character, honesty, and integrity;
- (b) A person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or in the carrying on of the business and financial arrangements incidental thereto; and
- (c) A person who is in all other respects qualified to be licensed as provided in this Gaming Compact, IGRA, the Tribal gaming ordinance and any other criteria adopted by the Tribal gaming agency or the Tribe, provided that any applicant who supplied services or equipment to a Tribal gaming operation prior to the effective date of this Act, such as but not limited to a person who would be deemed to be a gaming employee or gaming resource supplier under this Gaming Compact, or any person that may have been deemed to have violated a law in the exercise of or protection of a Tribe's sovereignty rights in connection with fishing, hunting, protection of burial grounds, repatriation of remains or artifacts, or gaming, shall not, for that reason, be deemed unsuitable. Nothing herein shall be deemed to exempt any such applicant from otherwise qualifying for licensing or certification under this Gaming Compact.

Section 6.4.4. Gaming Employees. Every gaming employee shall obtain, and thereafter maintain, a valid Tribal gaming license, which shall be subject to biannual renewal, provided that in accordance with Section 6.4.9 of this Gaming Compact, such persons may be employed on a temporary or conditional basis pending completion of the licensing process.

Section 6.4.5. Gaming Resource Supplier. Any gaming resource supplier who provides, has provided, or is deemed likely to provide at least twenty-five thousand dollars (\$25,000) in gaming resources in any 12-month period, shall be licensed by the Tribal gaming agency prior to the sale, lease or distribution, or further sale, lease or distribution of any such gaming resources to or in connection with the Tribe's operation or facility. These licenses shall be renewed at least every two years.

Section 6.4.6. Financial Sources. Any party extending financing, directly or indirectly, to the Tribe's gaming facility or gaming operation shall be licensed by the Tribal gaming agency prior to extending such financing. Licensing shall be effective for no more than two years before a renewal must be obtained, provided that if a lender's gaming license is revoked or not renewed, reasonable arrangements may be made with regard to payment of any balance due to such lender so as to not impose undue hardship on the Tribe, provided reasonable attempts shall be made to avoid ongoing conflicts with any licensing standard herein. A gaming resource supplier that provides financing in connection with the sale or lease of gaming resources obtained from such supplier may be licensed solely in accordance with licensing procedures applicable, if at all, to gaming resource suppliers. The Tribal gaming agency may, at its discretion, exclude from the licensing requirements of this section, financing provided by a federally or state regulated bank, savings and loan, or other lending institution, a federally recognized Tribal government or tribal entity thereof, or any agency of the federal, state or local government.

Section 6.4.7. Processing Tribal Gaming License Applications. Each applicant for a Tribal gaming license shall submit the completed application along with the required information and an application fee, if required, to the Tribal gaming agency in accordance with the rules and regulations of that agency. At a minimum, the Tribal gaming agency shall require submission and consideration of all information required under IGRA, including Section 556.4 of Title 25 of the Code of Federal Regulations, for licensing primary management officials and key employees. For applicants who are business entities, these licensing provisions shall apply to the entity as well as: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if an unincorporated business; (iv) each of its shareholders who owns more than 10 percent of the shares of the corporation, if a corporation; and (v) each person or entity (other than a financial institution that the Tribal gaming agency has determined does not require a license under the preceding section) who has provided financing in connection with any gaming authorized under this Gaming Compact, if such person or entity provided more than 10 percent of the start-up capital or operating capital over a 12-month period, or a combination thereof. For purposes of this section, where there is any commonality of the characteristics identified in clauses (i) to (iv), inclusive, between any two or more entities, those entities may be deemed to be a single entity. Nothing herein shall preclude the Tribe or Tribal gaming agency from requiring more stringent licensing requirements.

Section 6.4.8. Background Investigations of Applicants. The Tribal gaming agency shall conduct or cause to be conducted all necessary background investigations reasonably required to determine that the applicant is qualified for a gaming license under the standards set forth in Section 6.4.3, and to fulfill all requirements for licensing under IGRA, the Tribal gaming ordinance, and this Gaming Compact. The Tribal gaming agency shall not issue a license until a determination

is made that such qualifications have been met. In lieu of completing its own background investigation, and to the extent to do so does not conflict with or violate IGRA and the Tribal gaming ordinance, the Tribal gaming agency may rely on a State's certification of nonobjection previously issued under a Gaming Compact involving another tribe , or a State gaming license previously issued to the applicant, to fulfill some or all of the Tribal gaming agency's background investigation obligation.. Applicants for a Tribal gaming license shall be required to provide releases to the State gaming agency to make available to the Tribal gaming agency background information regarding the applicant. The State gaming agency shall cooperate in furnishing to the Tribal gaming agency such information, unless to do so would violate any agreement the State gaming agency has with a source of such information other than the applicant, or would impair or impede a criminal investigation, or if the Tribal gaming agency cannot provide sufficient safeguards to assure the State gaming agency that the information will remain confidential.

Section 6.4.9. Temporary Licensing. Notwithstanding anything herein to the contrary, if the applicant has completed a license application in a manner satisfactory to the Tribal gaming agency, and that agency has conducted a preliminary background investigation, and such investigation or other information held by that agency does not indicate that the applicant has a criminal history or other information in his or her background that either would automatically disqualify the applicant from obtaining a license, would cause a reasonable person to investigate further before issuing a license, is otherwise unsuitable for licensing, the Tribal gaming agency may issue a temporary license and may impose such specific conditions thereon pending completion of the applicant's background investigation as the Tribal gaming agency in its sole discretion shall determine. Special fees may be required by the Tribal gaming agency to issue or maintain a temporary license. A temporary license shall remain in effect until suspended, revoked, or a final determination is made on the application. At any time after issuance of a temporary license the

Tribal gaming agency may suspend or revoke it in accordance with Sections 6.5.1 and 6.5.5 of this Gaming Compact, and the State gaming agency may request suspension or revocation in accordance with subdivision (d) of Section 6.5.6.

Section 6.5. Gaming License Issuance. Upon completion of the necessary background investigation (including any reliance in whole or in part on a State certification of nonobjection, or a State gaming license under Section 6.4.8), receipt and review of such further information as the Tribal gaming agency may require, and as to non-Tribal member applicants, actual or constructive receipt by the Tribal gaming agency of a certificate of nonobjection by the State gaming agency, and payment of all necessary fees by the applicant, the Tribal gaming agency may issue a license on a conditional or unconditional basis. Nothing herein shall create a property or other right of an applicant in an opportunity to be licensed, or in a license itself, both of which shall be considered to be privileges granted to the applicant in the sole discretion of the Tribal gaming agency.

Section 6.5.1. Denial, Suspension, or Revocation of Licenses. Any application for a gaming license may be denied, and any license issued may be revoked, if the Tribal gaming agency determines that the application is incomplete or deficient, the applicant is determined to be unsuitable or otherwise unqualified for a gaming license, or the State objects to the issuance of such license pursuant to subdivision (c) of Section 6.5.6. Pending consideration of revocation, the Tribal gaming agency may suspend a license in accordance with Section 6.5.5 of this Gaming Compact. All rights to notice and hearing shall be governed by Tribal law, as to which the applicant will be notified in writing along with notice of an intent to suspend or revoke the license.

Section 6.5.2. Renewal of Licenses; Extensions; Further Investigation. In the event a licensee has applied for renewal prior to expiration of a license and the Tribal gaming agency has, through no fault of the applicant, been unable to complete the renewal process prior to such expiration, the license shall be deemed to be automatically extended until formal action has been

taken on the renewal application or a suspension or revocation has occurred. Applicants for renewal of a license shall provide updated material as requested, on the appropriate renewal forms, but at the discretion of the Tribal gaming agency may not be required to resubmit historical data previously submitted or which is otherwise available to the Tribal gaming agency. At the discretion of the Tribal gaming agency, an additional background investigation may be required at any time if the Tribal gaming agency determines the need for further information concerning the applicant's continuing suitability or eligibility for a license.

Section 6.5.3. Identification Cards. The Tribal gaming agency shall require that all persons who are required to be licensed shall wear, in plain view at all times while in the gaming facility, identification badges issued by the Tribal gaming agency. Identification badges must include information, including, but not limited to, a photograph and an identification number, which is sufficient to enable agents of the Tribal gaming agency to readily identify such employees and determine the validity and date of expiration of their license.

Section 6.5.4. Fees For Tribal License. The fees for all tribal licenses shall be set by the Tribal gaming agency.

Section 6.5.5. Suspension of Tribal License. The Tribal gaming agency may summarily suspend the license of any employee if the Tribal gaming agency determines that the continued licensing of such person or entity could constitute a threat to the public health or safety or may be in violation of the Tribe's licensing standards. Any right to notice or hearing in regards thereto shall be governed by Tribal law.

Section 6.5.6. State Certification Process. (a) Except for enrolled members of a federally recognized California tribe, who shall be licensed exclusively by the Tribe, upon receipt of a completed license application and a determination by the Tribal agency that it intends to issue the earlier of a temporary or permanent license, the Tribal gaming agency shall transmit to the State

gaming agency a copy of all Tribal license application materials together with a set of fingerprint cards, a current photograph, and such releases of information, waivers, and other completed and executed forms as have been obtained by the Tribal gaming agency, unless the State gaming agency waives some or all of such submissions, together with a notice of intent to license such applicant. Additional information may be required by the State gaming agency to assist it in its background investigation, provided such State gaming agency requirement shall be no greater than that which is typically required of applicants for a State gaming license in connection with nontribal gaming activities and at a similar level of participation or employment. The State gaming agency and the Tribal gaming agency (together with Tribal gaming agencies under other Gaming Compacts) shall cooperate in developing standard licensing forms for Tribal gaming license applicants, on a statewide basis, that reduce or eliminates duplicative or excessive paperwork, and which forms and procedures shall take into account the Tribe's requirements under IGRA and the expense thereof.

(b) Temporary License Objection. The State gaming agency shall notify the Tribal gaming agency as promptly as possible if it has an objection to the issuance of a temporary license, but the Tribal gaming agency shall not be required to await objection or nonobjection by the State gaming agency in issuing a temporary license. Any objection shall be made in good faith, and shall be given prompt and thorough consideration in good faith by the Tribal gaming agency. Nothing herein shall prevent the State gaming agency from at any time requesting suspension or revocation of said temporary license pursuant to Section 6.5.6 (d) of this Gaming Compact. Any disputes over the issuance of a temporary license shall be resolved in accordance with the procedures set forth in Section 9 of this Gaming Compact.

(c) Background Investigations of Applicants. Upon receipt of completed license application information from the Tribal gaming agency, the State gaming agency may conduct a background investigation to determine whether the applicant is suitable to be licensed in accordance

with the standards set forth in Section 6.4.3. The State gaming agency and Tribal gaming agency shall cooperate in sharing as much background information as possible, both to maximize investigative efficiency and thoroughness and to minimize investigative costs. Upon completion of the necessary background investigation or other verification of suitability, the State gaming agency shall issue a notice to the Tribal gaming agency certifying that the State has no objection to the issuance of a license to the applicant by the Tribal gaming agency ("certification of nonobjection"), or that it objects to such issuance. If notice of objection is given, a statement setting forth the grounds for such objection shall be forwarded to the Tribal gaming agency together with the information upon which such objection was based, unless to do so would violate a confidentiality agreement or compromise a pending criminal investigation. If a notice of objection or a certificate of nonobjection is not received by the Tribal gaming agency within 90 days of the first receipt by the State gaming agency of the application information and intent to issue a temporary or permanent license, as provided herein, the State gaming agency shall be deemed to have issued a certificate of nonobjection.

(d) Grounds for Requesting Tribal License Revocation or Suspension or Denying State Certification of Nonobjection. The State gaming agency may revoke a State certification of nonobjection if it determines at any time that the applicant or license holder does not meet the standards for suitability set forth in Section 6.4.3. Upon the Tribal gaming agency's receipt of notice of such action, it shall immediately and in good faith consider the action of the State gaming agency and, if the circumstances warrant it, take action to suspend or revoke the licensee's Tribal license, unless within seven days of receipt of such notice it has notified the State gaming agency that good cause exists to defer taking such action, including the need for further investigation. Disputes regarding the action taken or not taken in response to the State gaming agency request shall be resolved pursuant to Section 9 below. If at any time the State gaming agency becomes aware of

information that would constitute good cause to deny or revoke the Tribal license of any person, including members of federally recognized Indian tribes in California who are exempt from the State review process, it shall convey that information to the Tribal Gaming agency promptly after being made aware of such information, and may request that appropriate action be taken by the Tribal gaming agency as to such persons.

Section 6.5. Licenses Required. No person shall be employed by, or act as a gaming resource supplier to, any gaming activity or facility of the Tribe unless such person, if required to be licensed, has obtained all required licenses hereunder.

Section 7.0. TRIBAL ENFORCEMENT OF GAMING COMPACT PROVISIONS

Section 7.1. On-Site Regulation. It is the responsibility of the Tribal gaming agency to conduct on-site gaming regulation and control in order to enforce the terms of this Gaming Compact, IGRA and the Tribal gaming ordinance with respect to gaming operation and facility compliance, and to protect the integrity of the gaming activities, the reputation of the Tribe and the gaming operation for honesty and fairness, and the confidence of patrons that Tribal government gaming in California meets the highest standards of regulation and internal controls. To meet those responsibilities, the Tribal gaming agency shall adopt regulations, procedures and practices as set forth herein.

Section 7.2. Investigation and Sanctions. The Tribal gaming agency shall investigate any reported violation of this Gaming Compact and shall require the gaming operation to correct the violation upon such terms and conditions as the Tribal gaming agency determines are necessary. The Tribal gaming agency shall be empowered by the Tribal ordinance to impose fines or other sanctions within the jurisdiction of the Tribe against gaming licensees or other persons who interfere with or violate the Tribe's gaming regulatory requirements and obligations under IGRA, the Tribal gaming

ordinance, or this Gaming Compact. The Tribal gaming agency shall report continued violations or failures to comply with their orders to the State gaming agency, provided such continued violations and compliance failures have first been reported to the Tribe and no corrective action has been taken within a reasonable period of time.

Section 7.3. Assistance by State gaming agency. If requested by the Tribal gaming agency, the State gaming agency shall assist in any investigation initiated by the Tribal gaming agency and provide other requested services to ensure proper compliance with this Gaming Compact. The State shall be reimbursed for its reasonable costs of such assistance provided it has received approval from the Tribe in advance for such expenditures.

Section 7.4. Access to premises by State gaming agency; Notification; Inspections. Notwithstanding that the Tribe has the primary responsibility to administer and enforce the regulatory requirements, the State gaming agency shall have the right to inspect the Tribe's gaming facilities with respect to class III gaming activities only, and all gaming operation or facility records relating thereto, subject to the following conditions:

Section 7.4.1. With respect to public areas of a gaming facility, at any time without prior notice during normal gaming facility business hours;

Section 7.4.2. With respect to private areas of a gaming facility not accessible to the public, at any time during normal gaming facility business hours, immediately after the State gaming agency's authorized inspector notifies the Tribal gaming agency and gaming facility management of his or her presence on the premises and presentation of proper identification, and requests access to the nonpublic areas of the Gaming Facility. The Tribal gaming agency, in its sole discretion, may require an employee of the gaming facility or the Tribal gaming agency to accompany the State gaming agency inspector at all times that the State gaming agency inspector is on the premises of a gaming facility. If the Tribal gaming agency imposes such a requirement, it shall require such an

employee of the gaming facility or the Tribal gaming agency to be available at all times for such purposes;

Section 7.4.3. Inspection and copying of gaming operation records may occur at any time, immediately after notice to the Tribal gaming agency, during the normal hours of the facility's business office, provided that the inspection and copying of such records may not interfere with the normal functioning of the gaming operation or facility. Notwithstanding any other provision of the law of this State, all information, records and copies thereof that the State gaming agency obtains, inspects or copies pursuant to this compact shall be and remain the property solely of the Tribe, and shall not be released or divulged for any purposes without the Tribe's prior written consent, except that the production of such records may be compelled by subpoena in a criminal prosecution or in a proceeding for violation of this Gaming Compact without the Tribe's prior written consent, and provided further that prior to the disclosure of the contents of any such records, the Tribe shall be given at least 10 court days' notice and an opportunity to object or to require the redaction of trade secrets or other confidential information that is not relevant to the proceeding in which the records are to be produced;

Section 7.4.4. Whenever a representative of the State gaming agency enters the premises of the gaming facility for any such inspection, such representative shall immediately identify himself or herself to security or supervisory personnel of the gaming facility;

Section 7.4.5. Persons associated with the State gaming agency who are expected to have access to nonpublic areas of the gaming facility shall first be identified to the Tribal gaming agency as so authorized, and following a sufficient period of time for the Tribal gaming agency to conduct a reasonable inquiry into the person's character and background, and to grant approval to such person's presence, which approval shall not be unreasonably withheld.

Section 8.0. RULES AND REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE TRIBAL GAMING OPERATION

Section 8.1. Adoption of Regulations for Operation and Management. Minimum Standards. In order to meet the goals set forth in this Gaming Compact and required of the Tribe by law, the Tribal gaming agency shall be vested with the authority to promulgate, at a minimum, rules and regulations governing the following subjects, and ensure their enforcement in an effective manner:

Section 8.1.1. The enforcement of all relevant laws and rules with respect to the gaming operation and facility, and the power to conduct investigations and hearings with respect thereto and to any other subject within its jurisdiction;

Section 8.1.2. The physical safety of gaming operation patrons, employees and any other person while in the gaming facility;

Section 8.1.3. The physical safeguarding of assets transported to, within and from the Gaming facility;

Section 8.1.4. The prevention of illegal activity from occurring within the facility or with regard to the gaming operation, including, but not limited to, the maintenance of employee procedures and a surveillance system as provided below;

Section 8.1.5. The detention of persons who may be involved in illegal acts for the purpose of notifying appropriate law enforcement authorities;

Section 8.1.6. The recording of any and all occurrences within the gaming facility that deviate from normal operating policies and procedures ("incidents" hereafter). The procedure for recording incidents shall (1) specify that security personnel record all incidents, regardless of an employee's determination that such incident may be immaterial (all incidents shall be identified in writing); (2) require the assignment of a sequential number to each report; (3) provide for permanent

reporting in indelible ink in a bound notebook from which pages cannot be removed and in which entries are made on each side of each page; and (4) that each report include at a minimum:

- (a) The record number;
- (b) The date;
- (c) The time;
- (d) The location of the incident;
- (e) A detailed description of the incident;
- (f) The persons involved in the incident; and
- (g) The security department employee assigned to the incident.

Section 8.1.7. The establishment of employee procedures designed to permit detection of any irregularities, theft, cheating, fraud or the like;

Section 8.1.8. Maintenance of a list of persons barred from the gaming facility who, because of their past behavior, criminal history or association with persons or organizations, pose a threat to the integrity of the gaming activities of the Tribe or to the integrity of regulated gaming within the State;

Section 8.1.9. The conduct of an audit of the gaming operation, not less than annually, by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants;

Section 8.1.10. Submission to and prior approval from the Tribal gaming agency of the rules and regulations of each class III game to be operated by the Tribe, and of any changes in such rules and regulations. No class III game shall be played which has not received Tribal gaming agency approval.

Section 8.1.11. Maintenance of a copy of the rules, regulations, and procedures for each game as presently played, including, but not limited to, the method of play and the odds and

method of determining amounts paid to winners. Information regarding the method of play, odds, payoff determinations, and player pool balances shall be visibly displayed or available to patrons in written form in the gaming facility. Betting limits applicable to any gaming station shall be displayed at such gaming station. In the event of a patron dispute over the application of any gaming rule or regulation, the matter will be handled in accordance with the Tribal gaming ordinance and any rules and regulations promulgated by the Tribal gaming agency.

Section 8.1.12. Maintenance of a closed circuit television surveillance system consistent with industry standards for gaming facilities of the type and scale operated by the Tribe, which system shall be approved and shall not be modified without the approval of the Tribal gaming agency. The Tribal gaming agency shall have current copies of the gaming facility floor plan and closed circuit television system at all times and any modifications thereof first shall be approved by the Tribal gaming agency.

Section 8.1.13. Maintenance of a cashier's cage in accordance with industry standards for such facilities.

Section 8.1.14. A description of minimum staff and supervisory requirements for each gaming activity to be conducted; and

Section 8.1.15. Regulations specific to technical standards for the operation of Tribal gaming terminals and other games authorized herein to be adopted by the Tribe, which technical specifications shall be no less stringent than those approved by a recognized gaming testing laboratory in the gaming industry..

Section 8.2. Criminal Jurisdiction. Nothing in this Gaming Compact shall affect the criminal jurisdiction of the State under Public Law 280 (18 U.S.C. §1162) or IGRA, to the extent applicable, provided that no gaming activity conducted in compliance with this Gaming Compact and the Act shall be deemed to be a civil or criminal violation of any State law. Except as otherwise

provided herein, to the extent the State contends a violation of this Gaming Compact or any State law regarding the regulation or conduct of gambling has occurred at or related to the Tribe's gaming operation or facility, the violation shall be treated solely as a civil matter to be resolved pursuant to Section 9 of this Gaming Compact.

Section 9.0. DISPUTE RESOLUTION PROVISIONS.

Section 9.1. Voluntary Resolution; Reference to Other Means of Resolution. In recognition of the government to government relationship of the Tribe and State, the parties shall make best efforts to resolve disputes that occur under this Gaming Compact by good faith negotiations whenever possible. Therefore, without prejudice to the right of either party to seek injunctive relief against the other when circumstances require such immediate relief, the parties hereby establish a threshold requirement that disputes between the Tribe and the State first be subjected to a process of meeting and conferring in order to foster a spirit of cooperation and efficiency in the administration and monitoring of performance and compliance by each other with the terms, provisions and conditions of this Gaming Compact, as follows:

(a) Either party shall give the other, as soon as possible after the event giving rise to the concern, a written notice setting forth the issues to be resolved;

(b) The parties shall meet and confer in a good faith attempt to resolve the dispute through negotiation not later than 10 days from receipt of the notice, unless both parties agree in writing to an extension of time;

(c) If the dispute is not resolved to the satisfaction of the parties within 20 days of the first meeting, then a party may seek to have the dispute resolved by an arbitrator in accordance with this section. "Dispute," for purposes of this subdivision, means any disagreement between the State

gaming agency and the Tribal gaming agency in reference to the provisions of Section 4.0 to 8.1.15, inclusive, of this Gaming Compact.

(d) Disagreements other than disputes as defined in subdivision (c) shall be resolved in federal district court and all applicable courts of appeal (or if and only if such federal courts lack jurisdiction, to any court of competent jurisdiction and its related courts of appeal). The disputes to be submitted to court action include, but are not limited to, any other dispute, including, but not limited to, such claims of breach or failure to negotiate in good faith. In no event shall the Tribe be precluded from pursuing any arbitration or judicial remedy against the State on the grounds the Tribe has failed to exhaust its State administrative remedies.

Section 9.2. Arbitration Rules. Arbitration shall be conducted in accordance with the policies and procedures of the Commercial Arbitration Rules of the American Arbitration Association, and shall be held on the Tribe's reservation. Each side shall bear its own costs, attorneys' fees, and one-half the cost of the arbitration. Only one arbitrator shall be named, unless the Tribe and the State agree otherwise. The decision of the arbitrator shall be binding.

Section 9.3. No Waiver or Preclusion of Other Means of Dispute Resolution. Nothing in this section shall be construed to waive, limit or restrict any remedy which is otherwise available to either party. Nor shall this section be construed to preclude, limit or restrict the ability of the parties to pursue, by mutual agreement, any other method of dispute resolution, including, but not limited to, mediation or utilization of a technical advisor to the Tribal and State Gaming Agencies; provided that neither party is under any obligation to agree to such alternative method of dispute resolution.

Section 9.4. Limited Waiver of Sovereign Immunity. (a) In the event a dispute is to be resolved in federal court or a court of competent jurisdiction as provided in Section 9.1 of this Gaming Compact, the State and the Tribe expressly consent to be sued therein and waive any immunity therefrom they may have, provided:

(1) The dispute is limited solely to issues arising under this Gaming Compact;

(2) Neither side makes any claim for monetary damages (that is, only injunctive, specific performance, or declaratory relief is sought); and

(3) No person or entity other than the Tribe and the State are parties to such action.

(b) In the event of intervention by any additional party into any such action without the consent of the Tribe and the State, the waivers of both the Tribe and State provided for herein shall be deemed to be revoked and void.

(c) The waivers and consents provided in this Section 9 shall extend to actions to compel arbitration, any arbitration proceeding herein, any action to confirm or enforce any arbitration award as provided herein, and to any appellate proceedings emanating from a matter in which an immunity waiver has been granted. Except as stated herein, no other waivers or consents to be sued, either express or implied, are granted by either party.

Section 10.0. PUBLIC HEALTH, SAFETY AND LIABILITY

Section 10.1. Compliance. For the purposes of this Gaming Compact the Tribal gaming operation shall comply with and enforce standards no less stringent than the following with respect to public health and safety:

(a) Public health standards for food and beverage handling in accordance with United States Public Health Service requirements;

(b) Federal water quality and safe drinking water standards;

(c) The building and safety standards set forth in Section 6.4 of this Gaming Compact;

(c) A requirement that the Tribe carry no less than \$2 million in public liability insurance for patron claims, and that the Tribe provide reasonable assurance that such claims will be

promptly and fairly adjudicated, and that legitimate claims will be paid, provided, that nothing herein shall require the Tribe to agree to liability for punitive damages or attorneys' fees;

(d) Tribal Codes and other applicable federal law regarding public health and safety.

(e) The creation and maintenance of a system which provides redress for employee work-related injuries, disabilities and unemployment, either through requiring insurance, self-insurance or other means, and which system includes the right to notice, hearings and a means of enforcement and provides benefits comparable to those mandated for comparable workplaces under State law.

Section 10.2. Emergency Service Accessibility. The Tribal gaming operation shall ensure that it has made reasonable provisions for adequate emergency fire, medical and related relief and disaster services for patrons and employees of the facility.

Section 10.3. Alcoholic Beverage Service. Standards for alcohol service shall be subject to applicable law.

Section 11.0. AMENDMENTS, DURATION AND EFFECTIVE DATE.

Section 11.1. Effective Date. This Gaming Compact shall constitute the agreement between the State and the Tribe pursuant to IGRA and shall be amendable and modified only under the provisions set forth herein. This Gaming Compact shall take effect upon publication of notice of approval by the United States Secretary of the Interior in the Federal Register in accordance with applicable federal law (25 U.S.C. 2710(d)(3)(B)).

Section 11.2. Voluntary Termination. Once effective, this Gaming Compact shall be in effect until terminated by either the written agreement of both parties or unilaterally by the Tribe upon 60 days' written notice to the Governor.

Section 12.0. AMENDMENTS/RENEGOTIATIONS.

Section 12.1. The terms and conditions of this Gaming Compact may be amended at any time by the mutual and written agreement of both parties, and such amendment is approved hereby as part of the Act.

Section 12.2. In the event federal or State law is changed or is interpreted, either by enactment, through a final court decision, a practice of the State gaming agency, or the inclusion of such gaming in a tribal-state compact, to permit gaming in California which is not now permitted to any person or entity for any purpose, or if permitted, is being lawfully offered for the first time, this Gaming Compact shall be automatically amended to include such permitted or offered gaming, which shall be deemed to be included within the definition of "gaming activities" hereunder.

Section 12.3. This Gaming Compact shall be subject to renegotiation in the event the Tribe wishes to engage in forms of class III gaming other than those games authorized or automatically included herein and requests renegotiation for that purpose, provided that other than a change in law or a court ruling which establishes the right of the Tribe to engage in other forms of gaming, no such renegotiation shall be sought for 12 months following the effective date of this Gaming Compact.

Section 12.4. Process and Negotiation Standards. All requests to amend or renegotiate shall be in writing, addressed to the State gaming agency, and shall include the activities or circumstances to be negotiated together with a statement of the basis supporting the request. If the request meets the requirements of this section, the parties shall confer promptly and determine a schedule for commencing negotiations within 30 days of the request. Unless expressly provided otherwise herein, all matters involving negotiations or other amendatory processes under this section shall be governed, controlled and conducted in conformity with the provisions and requirements of IGRA, including those provisions regarding the obligation of the State to negotiate in good faith and the enforcement of such obligations in federal court, as to which obligations and actions in federal court

the State hereby agrees and consents to be sued in such court system, and in conformity with the authority of the Secretary of the Interior to adopt procedures for the Tribe's engagement in class III gaming if no agreement in a Gaming Compact can be reached and the State has failed to negotiate in good faith. The Chairperson of the Tribe and the Governor of the State are hereby authorized to designate the person or agency responsible for conducting the negotiations, and shall execute any documents necessary as a result thereof.

Section 13.0. NOTICES. Unless otherwise indicated by this Gaming Compact, all notices required or authorized to be served shall be served by first-class mail at the following addresses:

Governor	Tribal Chairperson
State of California	[<i>Formal Name of Tribe</i>]
State Capitol	
Sacramento, California	

Section 14.0. SEVERABILITY. In the event that any section or provision of this Gaming Compact is held invalid, or its application to any particular activity held invalid, it is the intent of the parties that the remaining sections of the Gaming Compact shall continue in full force and effect, provided that in the event provisions must be added to this Gaming Compact in order to preserve the intentions of the parties in light of such invalidity, the parties shall promptly negotiate such provisions in good faith.

Section 15.0. CHANGES IN IGRA. This Gaming Compact is intended to meet the requirements of IGRA or any successor statute, as enacted on the date this Gaming Compact becomes effective.

Subsequent changes to IGRA which diminish the rights of the State or the Tribe, shall not be applied

retroactively to the Gaming Compact, except to the extent that federal law validly mandates such diminishment without the State's or the Tribe's respective consent.

Section 16.0. MISCELLANEOUS

Section 16.1. The parties agree that in order to further the intent of the parties and the goals of the Act, and to implement this Gaming Compact consistent therewith, this Gaming Compact shall be amended by mutual consent, arrived at as the result of good faith negotiations, if necessary to clarify or effectuate the goals and intent of this Gaming Compact and the Act, to the extent not addressed or ambiguously or incompletely provided for herein, provided that nothing in this Section shall delay the effective date or implementation of this Gaming Compact.

Section 16.2. Any State agency or subdivision providing regulatory or other services to the Tribe pursuant to this Compact shall be entitled to reimbursement from the Tribe for the actual and reasonable cost of such services, and the Tribe shall promptly pay such reimbursement to said agency or subdivision upon receipt of itemized invoices therefor. Any disputes concerning the reasonableness of any claim for reimbursement shall be resolved in accordance with the dispute resolution procedures set forth in Section 9.

Section 16.3. This Gaming Compact sets forth the full and complete agreement of the parties and shall supersede any prior agreements or understandings with respect to the subject matter hereof.

[*FORMAL NAME OF TRIBE*]

By _____ DATED: _____ day of _____,
Chairperson

THE STATE OF CALIFORNIA

By _____ DATED: _____ day of _____, _____

Governor."

98105. Execution of Tribal-State Gaming Compacts. The Gaming Compact offered in Section 98104 of this Chapter shall, to the extent permitted by law, be deemed agreed to, approved and executed by the State of California in the event a request therefor is duly made by a federally recognized Indian tribe in accordance with Section 98102 and it is not executed by the Governor within the time prescribed in this Chapter, provided that in the event this provision is deemed to be unlawful or ineffective for any reason, or if the tribe in its discretion seeks to compel execution of the Gaming Compact through court action, the State of California hereby submits to the jurisdiction of the courts of the United States in any action brought against the State by any federally-recognized Indian tribe asserting any cause of action arising from the State's refusal to execute the Gaming Compact offered in Section 98104 upon a tribe's request therefor. Without limiting the foregoing, the State of California also submits to the jurisdiction of the courts of the United States in any action brought against the State by any federally-recognized California Indian tribe asserting any cause of action arising from the State's refusal to enter into negotiations with such tribe for the purpose of entering into a different Tribal-State gaming compact pursuant to IGRA or to conduct such negotiations in good faith; the State's refusal to enter into negotiations concerning the amendment of a Tribal-State gaming compact to which the State is a party, or to negotiate in good faith concerning such amendment; or the State's violation of the terms of any Tribal-State compact to which the State is or may become a party.

98106. Authorized and Permitted Gaming. The gaming authorized pursuant to this Chapter, including, but not limited to, the gaming authorized pursuant to the Gaming Compact set forth in Section 98104, shall not be subject to any prohibitions in State law. Without limiting the foregoing,

and notwithstanding any other provision of law, the following forms of gaming specifically are permitted and authorized to be conducted on Indian lands by a Tribe that has entered into a Tribal-State compact with the State pursuant to this Chapter, IGRA, or any other law:

(a) Any card games that were operated on any Indian reservation in California on or before January 1, 1998, provided that with respect to card games that are not within class II of IGRA (which class II games are not affected by this Chapter), such card games shall pay prizes solely in accordance with a players' pool prize system in which one or more segregated pools of funds which have been collected from player wagers are irrevocably dedicated to the prospective award of prizes in such card games or other lottery games, promotions, or contests and in which the house neither has nor can acquire any interest. The Tribe may set and collect a fee from players on a per play, per amount wagered or time-period basis, and may seed the pools in the form of loans or promotional expenses, provided such seeding is not used to pay prizes previously won;

(b) Any gaming or gambling device, provided that such devices do not dispense coins or currency and are not activated by handles, and prizes from which are awarded solely from one or more segregated pools of funds which have been collected from player wagers, are irrevocably dedicated to the prospective award of prizes in such games or in other lottery games, contests, tournaments or prize pool promotions, and in which the house neither has nor can acquire any interest. The Tribe may set and collect a fee from players on a per play, per amount wagered or time-period basis, and may seed the pools in the form of loans or promotional expenses, provided such seeding is not used to pay prizes previously won. The introduction, possession, manufacture, repair, or transportation of gaming devices that are authorized by the terms of any Tribal-State gaming compact between the State of California and any federally-recognized Indian Tribe exercising jurisdiction over Indian lands in the State of California shall be lawful in this State; and

(c) The operation of any lottery game, including, but not limited to, drawings, raffles, match games, and instant lottery ticket games.

98107. Severability. If any provision of this Chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Chapter that can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are severable. In particular, Section 98106 of this Chapter is complete in itself, would have been enacted by the People of the State had they foreseen the invalidation of any or all provisions in the remainder of this Chapter, and is therefore severable from the statutory provisions enacted in the remainder of this Chapter.

98108. Implementing documents. The Governor is hereby authorized and directed to execute any documents which may be necessary to implement the provisions of this Chapter.

98109. Gaming Compact a part of State law. The provisions of the Gaming Compact set forth in Section 98104 of this Chapter are hereby incorporated into State law and all gaming activities, including but not limited to gaming devices, authorized therein, are expressly declared to be permitted as a matter of State law to any Indian tribe entering into such Gaming Compact in accordance with the terms of this Chapter.

98110. Tribal-State Compacts on other terms. Nothing in this Chapter shall be deemed to limit the ability of a federally recognized Indian tribe to request that a Tribal-State compact be negotiated with the State on terms which are different than those set forth in the Gaming Compact, subject to the requirements of this Chapter, or for the State to engage in such negotiations and to reach agreement under IGRA. Nor shall anything in this Chapter be construed to mean that, in offering the Gaming Compact to Indian tribes in California under Section 98104 of this Chapter, and other than assessments by the State as provided therein of such amounts as are necessary to defray its costs of regulating activities as provided under the Gaming Compact, the State is imposing any tax,

fee, charge, or other assessment upon an Indian tribe or upon any other person or entity authorized by an Indian tribe as a condition to engaging in a class III activity, or that the State is refusing to enter into Tribal-State compact negotiations based upon its or any of its subdivision's lack of authority to impose such a tax, fee, charge or other assessment.

98111. Amendments to Gaming Compact. No amendment to the Gaming Compact as provided for therein or under this Chapter shall require further legislative or voter approval.

SECTION 5. Amendment. No legislative amendment shall be made to "The Tribal Government Gaming and Economic Self-Sufficiency Act of 2000" that reduces or otherwise restricts the scope of class III gaming permitted on Indian lands therein without a further vote and approval of the People. Any other provisions of the "The Tribal Government Gaming and Economic Self-Sufficiency Act of 2000" may be amended by the Legislature only by a vote of two-thirds of the membership of both houses, and such amendments must be consistent with and must be made to further the purposes of this measure.

SECTION 6. Severability. If any provision of this measure or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this measure which can be given effect without the invalid provision or application, and to this end the provisions of this measure are severable. In particular, the People of the State find and declare that the amendment to Article IV, section 19, of the California Constitution effected by Section 3 of this initiative is complete in itself, would have been adopted by the People of the State had they foreseen the invalidation of any or all provisions in the remainder of the initiative, and is therefore severable from the statutory provisions enacted in the remainder of this initiative.

SECTION 7. Consistency With Other Ballot Measures. In enacting this measure, the People of this State find and declare that this measure is not in competition with Chapter 409, Statutes of 1998, which has been placed before the voters for their approval or rejection at the March 7, 2000 primary election pursuant to Article II, Section 9, of the state Constitution. Chapter 409 and this measure have not been expressly offered as “all-or-nothing” alternatives, and Chapter 409 does not create a comprehensive regulatory scheme relating to Tribal-State Gaming Compacts. The People find and declare that the provisions of this measure and Chapter 409 are not in conflict with each other. In the event that both this measure and Chapter 409 are approved at the same election, the courts are therefore directed to reconcile their respective statutory provisions to the greatest extent possible and to give effect to every provision of both measures.

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